



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 4, 1994

Mr. James W. Hill
741 Bittle Lane
Moab, Utah 84532

Re: Operations on ML 45848 - Gemstone, S/019/034, Grand County, Utah

Dear Mr. Hill:

We have been notified that you are conducting operations on a State lease (#ML 45848) without a mining permit. Although you have obtained a mineral lease, that does not constitute authority to create surface disturbance without also obtaining the proper permits from this office.

Mining activities conducted on lands within Utah, are subject to compliance with the permitting requirements of the Utah Mined Land Reclamation Act (Title 40-8, et seq., 1975, as amended). An operator who fails to file a permit application and receive Division acceptance or approval to conduct exploration or mining activities on federal, state or private lands, may be found in direct violation of the Act and its interpretive rules.

Section 40-8-9 of the Act, states that an intentional or knowing violation of the Act may subject the violator to fines and penalties of up to \$10,000 per violation. If you or other individuals (lessees) have been actively mining this property without a valid mining permit(s) from this Division, the responsible individual(s) may be found in non-compliance and be subject to appropriate enforcement action and penalties as provided for under the Act.

Enclosed is a copy of the Act, the Utah Mined Land Reclamation Rules, a Large Mining Operation Notice of Intention form (LMO), and a Small Mining Operation Notice of Intention form (SMO). The SMO form is for activities involving 5 acres or less of surface disturbance. If your operation is over this 5 acre limit, you will need to submit the LMO and post a reclamation surety bond. Please contact any of the permitting staff of the Minerals Program, if you have any questions in this regard.

Your immediate cooperation and assistance in this matter is appreciated.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

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Enclosures

cc: John Blake, State Lands